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TAX CREDIT ACCOUNTABILITY REPORT



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JUNE 2013



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INTRODUCTION

In 2004, the legislature passed the “Tax Credit Accountability Act”. The statute, RSMo 620.017.4., requires that the Department of Economic Development prepare an annual report regarding all economic incentives administered in the previous calendar year and submit the report to the Governor, President Pro Tem of the Senate, and the Speaker of the House of Representatives.

The annual report must include the following information:

- The distribution of economic incentives by type and public purpose. In the statute, RSMo 135.800, all tax credits are grouped into a category, or type, based on their public purpose. This section of the report reflects the distribution of incentives by those categories, which are as follows:
 - Agricultural
 - Environmental
 - Entrepreneurial
 - Domestic and Social
 - Housing
 - Redevelopment
 - Training and Education
 - Business Recruitment
 - Community Development
- The total amount of economic incentives awarded by industry. All incentives issued to organizations or businesses are broken down by North American Industry Classification System (NAICS) Codes.
- The distribution of economic incentives by the size of all business recipients. All incentives issued to businesses only are broken down by business size categories of less than 100 employees, 100-500 employees, and greater than 500 employees.
- A summary of jobs created as reported annually.
- A reporting of any legal action taken by the department or the state with any parties which have failed to comply with a contract or agreement pursuant to this section.

All economic incentives are reported by the amount that has been issued to the taxpayer in the calendar year. Issuance of a tax credit indicates that the Department of Economic Development has determined it meets eligibility criteria and has proof that the organization or company has met the program requirements. Tax credits are issued using a certificate which may be attached to a state tax filing for redemption through the Department of Revenue.

The information is collected through the application and review process. RSMo 135.802 requires that all applications include:

- Name, address, contact and phone number for the applicant.
- Taxpayer type
- Standard industry code (The NAICS system has replaced the Standard Industry Code system for identifying industries at the federal level.)
- Program name and type of any other tax credits (state or federal) that are being utilized for the same activity or project.

DED INCENTIVES REPORTED BY CATEGORY

January 1, 2012 to December 31, 2012

Category Type and Program	Total Amount Issued in CY 2012
Agricultural	
Wine and Grape	\$ 90,279.29
Missouri Rural Economic Stimulus Act	\$ -
Total Agricultural	\$ 90,279.29
Environmental	
Charcoal Producers	\$ -
Total Environmental	\$ -
Entrepreneurial	
Loan Guarantee Fee	\$ -
Certified Capital Companies	\$ -
Business Incubator	\$ 87,596.40
Urban Enterprise Loan	\$ -
Seed Capital	\$ -
Capital SBIC	\$ -
New Enterprise Creation	\$ -
Research	\$ -
Total Entrepreneurial	\$ 87,596.40
Domestic and Social	
Youth Opportunities Program	\$ 3,960,654.00
Total Domestic and Social	\$ 3,960,654.00
Housing*	
Neighborhood Preservation	\$ 1,838,054.12
Total Housing	\$ 1,838,054.12
Redevelopment	
Brownfield Remediation	\$ 9,684,548.43
Brownfield Jobs and Investment	\$ 383,197.76
Brownfield Demolition	\$ -
Distressed Areas Land Assemblage	\$ 7,150,485.10
Historic Preservation	\$ 98,925,549.73
Community Development Corporation Grant	\$ -
Community Bank	\$ -
State Tax Increment Financing	\$ 10,853,406.00
MODESA	\$ 818,617.00
Downtown Preservation	\$ -
Total Redevelopment	\$ 127,815,804.02

DED INCENTIVES REPORTED BY CATEGORY CONTINUED

Training and Education	
New Jobs Training Program	\$ 8,461,550.00
Retained Jobs Training Program	\$ 7,956,372.00
Customized Training Program	\$ 13,838,293.00
Total Training and Education	\$ 30,256,215.00
Business Recruitment	
Business Facility	\$ 4,411,848.00
Enhanced Enterprise Zone	\$ 6,927,788.63
Enterprise Zone	\$ 1,420,201.00
Development Tax Credit	\$ 3,027,064.06
Rebuilding Communities	\$ 2,205,437.24
Film Production	\$ 139,070.00
Missouri Quality Jobs	\$ 42,065,938.14
Total Business Recruitment	\$ 60,197,347.07
Community Development	
Transportation Development	\$ -
Neighborhood Assistance	\$ 8,617,799.00
Family Development Account	\$ -
Dry Fire Hydrant	\$ -
Total Community Development	\$ 8,617,799.00
TOTAL--ALL DED STATE INCENTIVES	\$ 232,863,748.90

*By Statute, this report does not include Low-Income Housing Tax Credits.

DED INCENTIVES REPORTED BY INDUSTRY*

January 1, 2012 to December 31, 2012

NAICS Description	Amount
11 Agriculture, forestry, fishing and hunting	\$ 500.00
21 Mining	\$ -
22 Utilities	\$-
23 Construction	\$ 15,187,714.40
31-33 Manufacturing	\$ 13,614,578.66
42 Wholesale Trade	\$ 1,291,795.66
44-45 Retail Trade	\$ -
48-49 Transportation	\$ 2,835,437.66
51 Information	\$ 2,759,174.77
52 Finance and Insurance	\$ 9,599,029.26
53 Real Estate and rental and leasing	\$ 90,261,995.39
54 Professional and technical services	\$ 21,530,461.03
55 Management of companies and enterprises	\$ 7,401,867.91
56 Administrative and waste services	\$ 1,721,749.51
61 Educational services	\$ 689,549.00
62 Health care and social assistance	\$ 9,439,307.83
71 Arts, entertainment, and recreation	\$ 785,262.00
72 Accommodation and food services	\$ 1,039,685.68
81 Other services, except public administration	\$ 1,802,989.63
92 Public Administration	\$ 5,895,049.66
Unclassified	\$ 1,818,318.00
GRAND TOTAL	\$187,674,466.05

* Industries are represented by standard "NAICS" codes (North American Industry Classification System).

Note: Benefits issued to individuals or community colleges are not considered in this report.

DED INCENTIVES REPORTED BY BUSINESS SIZE

January 1, 2012 to December 31, 2012

Business Size	Less than 100	100-500	>500
Applicable Programs Reporting:			
Wine and Grape (Businesses Only)	\$ 85,904.76	\$ -	\$ -
Charcoal Producers	\$ -	\$ -	\$ -
Loan Guarantee Fee	\$ -	\$ -	\$ -
Certified Capital Companies	\$ -	\$ -	\$ -
Business Incubator	\$ 87,596.40	\$ -	\$ -
Urban Enterprise Loan	\$ -	\$ -	\$ -
Seed Capital	\$ -	\$ -	\$ -
Capital SBIC	\$ -	\$ -	\$ -
New Enterprise Creation	\$ -	\$ -	\$ -
Research	\$ -	\$ -	\$ -
Youth Opportunities Program	\$ 2,758,092.00	\$ 1,180,561.00	\$ 22,001.00
Neighborhood Preservation (Developers Only)	\$ 1,081,024.01	\$ 78,759.50	\$ -
Brownfield Remediation	\$ 2,271,041.48	\$ 1,531,803.69	\$ -
Brownfield Jobs and Investment	\$ 383,197.76	\$ -	\$ -
Brownfield Demolition	\$ -	\$ -	\$ -
Distressed Areas Land Assemblage	\$ 7,150,485.10	\$ -	\$ -
Historic Preservation (Developers Only)	\$ 96,274,460.08	\$ 125,404.62	\$ -
Community Bank	\$ -	\$ -	\$ -
Business Facility	\$ 36,583.00	\$ 47,500.00	\$ 4,327,765.00
Enhanced Enterprise Zone	\$ 2,789,546.22	\$ 2,421,719.61	\$ 1,716,522.80
Enterprise Zone	\$ -	\$ -	\$ 1,420,201.00
Development Tax Credit	\$ 34,822.83	\$ 944,000.00	\$ 2,048,241.23
Rebuilding Communities	\$ 2,152,722.56	\$ -	\$ -
Film Production	\$ 139,070.00	\$ -	\$ -
Missouri Quality Jobs	\$ 7,392,260.25	\$ 10,366,059.34	\$ 24,307,618.55
Transportation Development	\$ -	\$ -	\$ -
Neighborhood Assistance	\$ 6,699,903.00	\$ 1,610,893.00	\$ 307,003.00
Family Development Account	\$ -	\$ -	\$ -
TOTAL	\$129,336,709.45	\$ 18,306,700.76	\$34,149,352.58

Note: Benefits issued to individuals, community colleges or units of government are not considered in this report.

JOBs REPORTING FOR ACCOUNTABILITY ACT

for period July 1, 2010-June 30,2011

(As reported by the companies through Accountability Reports due June 30, 2012)

Program	Full Time Jobs Reported	Part time Jobs Reported
Wine and Grape (Businesses Only)	9	37
Loan Guarantee Fee	0	0
Certified Capital Companies	0	0
Business Incubator	110	102
Seed Capital	0	0
Capital SBIC	0	0
New Enterprise Creation	0	0
Research	0	0
Neighborhood Preservation (Developers Only)	0	0
Brownfield Remediation	482	171
Brownfield Jobs and Investment	0	1
Brownfield Demolition	0	0
Distressed Areas Land Assemblage	6	0
Historic Preservation (Developers Only)	977	596
Community Bank	0	0
Business Facility	1859	28
Enhanced Enterprise Zone	1289	111
Enterprise Zone	211	9
Development Tax Credit	549	9
Dry Fire Hydrant	0	1
Rebuilding Communities	356	47
Film Production	2	13
Missouri Quality Jobs	1320	401
Transportation Development	0	0
Neighborhood Assistance	239	184
Family Development Account	0	0
Totals	7409	1710

CY 2012 LEGAL ACTIONS

Actions are based on entities failure to comply with an incentive contract or agreement.

Program	Applicant	Issue	Action
Community Development Block Grant, The Housing and Community Development Act of 1974 (Public Law 93-383), as amended	Morrison Marketing Group d/b/a Tag Team Uniforms	Applicant failed to make timely payments on a Community Development Block Grant Action Fund Loan.	Sent notice of default and referred to AGO
Community Development Block Grant, The Housing and Community Development Act of 1974 (Public Law 93-383), as amended	Defbar Systems, LLC	Applicant failed to make timely payments on a Community Development Block Grant Action Fund Loan.	Sent notice of default and referred to AGO
Community Development Block Grant, The Housing and Community Development Act of 1974 (Public Law 93-383), as amended	Excelsior Springs Bottling Company	Applicant failed to make timely payments on a Community Development Block Grant Action Fund Loan.	Sent notice of default and referred to AGO
Community Development Block Grant, The Housing and Community Development Act of 1974 (Public Law 93-383), as amended	Intrinsic Audio Solutions, Inc.	Applicant failed to make timely payments on a Community Development Block Grant Action Fund Loan.	Sent notice of default and referred to AGO
Small Business Loan, Missouri Development Finance Board Act, Sections 100.250 to 100.297, RSMo	Gala Event Center, LLC	Company defaulted on loan by failing to make scheduled payments	Referred to AGO
Small Business Loan, Missouri Development Finance Board Act, Sections 100.250 to 100.297, RSMo	Daniels & Daniels, LLC	Company defaulted on loan by failing to make scheduled payments	Referred to AGO
Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo	Group Five Developers, Inc.	Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued	Sent legal demand letter and referred to AGO
Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo	3540 Washington Ave., LLC	Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued	Sent legal demand letter and referred to AGO
Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo	Watkins Investment Group, LLC	Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued	Sent legal demand letter